GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4145
ANSWERED ON:18.08.2000
REVISED IIP SYSTEM
JAI PRAKASH;RAMJI LAL SUMAN;SUSHIL KUMAR INDORA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the attention of the Government has been drawn to the news- item appearing in `The Hindu` dated 24 July,2000 under the caption `Doubts raised over new industrial index`;

(b) if so, whether the Government have changed the base year for the determining the Index of Industrial Production growth rate;

(c) if so, whether owing to the revised index prepared by the Government after such change contradictory facts are coming to the fore regarding the industrial performance;

(d) if so, whether doubts have been raised against this new system;

(e) if so, the nature of such doubts and the quarters from which such doubts have been raised; and

(f) the reaction of the Government thereto ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (Dr. Raman Singh)

(a) to (f) :- A Statement is enclosed.

Statement referred to in reply to part (a) to (f) of the Lok Sabha Unstarred Question No. 4145 for answer on 18th August, 2000.

(a) Yes, Sir.

(b) The Government has recently revised the base year of the Wholesale Price Index from 1981-82 to 1993-94. With this revision of base year for Wholesale Price Indexnew deflators have been used for calculation of Index of Industrial Production (IIP) (Base:1993-94=100) with effect from April,1994 onwards.

(c) No, Sir. As per the quick estimates of Index of Industrial Production released by Central Statistical Organisation (CSO) on 12th July 2000 the overall rate of growth of industry for the month of April 2000 was revised to 5.7% as against 12.2% earlier reported by CSO in the press note of June 12th, 2000. This revision in the growth rate of industry for the month of April 2000 is attributable to revision of production data furnished by the source agencies based upon increased response from production units. The revision of the Index of the Industrial Production has depicted the correct factual position about the industrial performance in the month of April and May 2000.

(d) & (e) No, Sir.

(f) The Government is monitoring the data collection and reporting system of the industrial sector for taking necessary remedial measures at the appropriate time.